

TERM SHEET

This Term Sheet sets out the main points of agreement discussed by representatives of the Six Nations of the Grand River ("Six Nations") and Capital Power (PDN) L.P. ("Capital Power") in relation to the Port Dover and Nanticoke Wind Project developed and operated by Capital Power. Following ratification by the Council of the Six Nations, these points shall be incorporated into a definitive benefits agreement to be negotiated by the parties in good faith. As the definitive benefits agreement needs to be approved by the Council of the Six Nations and Capital Power's senior management, respectively, it is understood and agreed that this Term Sheet shall not be binding on either party and that only the definitive benefits agreement, once finalized and executed, shall be legally binding on the parties with respect to the subject matter of this Term Sheet. Subject to the foregoing, the parties agree that the following points shall form the basis for negotiation of the definitive benefits agreement:

1. Effective Date: Based on the COD date of the FIT Agreement with the OPA. (November 8, 2013)
2. Term of Agreement: Initial term of twenty (20) years to match the term of the OPA FIT Contract. If the FIT Contract is terminated by the OPA during the initial term, then the parties shall negotiate in good faith to agree on commercially reasonable amendments, and failing such agreement, the agreement shall be terminated.

Commencing one year before the expiry of the initial term of the PPA, the parties shall negotiate the terms and conditions of an extension of the term in good faith, including a royalty percentage or an annual fixed payment that reflects the economics of the project at that time.

3. Consent & Support: Agreement to provide for the consent and support of the Six Nations during the operation of the facility
4. Annual Contribution: Annual value will be based on the nameplate capacity of the facility at a rate of \$3,350/MW (\$349,740). If there is an adjustment to the nameplate capacity, the Annual Contribution shall be adjusted. Payments under the agreement will be made in quarterly installments, within 30 days after the end of each quarter. Parties may consider a single annual payment. Payments to be paid into a segregated trust fund. Fund shall only be used for things identified in a schedule to the Benefits Agreement. Funding shall be transparent to public.
5. Employment: Provide for notification or posting of employment opportunities at the facility and work that would be conducted in association with the operation of the facility.
6. Administration of Annual Contribution: Payments to be made in trust to a designated entity for the use and benefit of the Six Nations community in accordance with a list of permitted uses to be specified in a schedule to the agreement. Six Nations will provide

an annual report to Capital Power regarding distributions and investments of Annual Contribution funding and such report shall be available to any member of Six Nations on request. Capital Power shall have the right to inspect and audit books and records.

7. Assignment: Document to be assignable by Capital Power with the requirement that the Assignee assumes the role/responsibility of the Assignor. Agreement would also provide for assignment as security for project financing. No assignment by Six Nations or Six Nations trust/development Company without consent of Capital Power
8. Disputes: Initial attempt to resolve disputes would be at the “working level”, elevated to senior level, followed by arbitration. Agreement would be governed by the laws of Ontario.
9. Notices: Standard notice provisions for both parties
10. Termination: Agreement would provide for termination for default and financial issues with the project.
11. Buyout Provision: Buy-out provisions by Capital Power during the initial term of the agreement (discount rate and balance outstanding) to be agreed.
12. Tax Payments: Six Nations to be responsible for taxes associated with any payments.
13. Education Scholarship: Annual scholarship payment of \$15,000 to Grand River Post-Secondary Education Office. Terms and Conditions for CP support of the scholarship may include:
 - a defined timeframe (at the end Capital Power would have option to renew or could terminate)
 - The scholarship be named and referred to as the Capital Power scholarship
 - an annual report on the scholarship, i.e. whom it went to; provision of a photo of the recipient;
 - agreement that Capital Power can contact the recipient for interview as well as publicize the scholarship recipient in communications (internal communications; corporate publications; media);
 - Capital Power defines the award criteria (in consultation with the school/organizers);
 - Capital Power has the option to have a representative present the scholarship award (requires one month notice of the event)
14. Without prejudice. Agreement shall not be construed as acknowledgment by Capital Power of Six Nations rights or entitlement and shall be without prejudice to position Capital Power may take with respect to other projects or matters. Agreement to contain the following provision:

"This Agreement is without prejudice to, and does not intend to abrogate or derogate from, the aboriginal or treaty rights of the Six Nations or any of its members and any and all claims of the Six Nations of the Grand River as against Her Majesty the Queen in right of Canada or the Government of Canada and Her Majesty the Queen in right of Ontario or the Government of Ontario, including without limitation the litigation commenced in the Ontario Superior Court of Justice between Six Nations of the Grand River Band as plaintiff and the Attorney General of Canada and Her Majesty the Queen in Right of Ontario as defendants, bearing Court File No. 406/95 issued out of Brantford, Ontario."

The foregoing is agreed by the representatives of the parties as of the ____ day of March, 2014.

On behalf of the Six Nations of the Grand River

J. Ava Hill

Name (print): G. AVA HILL

On behalf of Capital Power (PDN) L.P.

Duncan B. McEachern

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